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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 03/05/08

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ARTICLES:

- (1) Too hasty to criticize MSDF for Aegis accident

SANKEI (Page 3) (Full)
March 5, 2008

Jim Auer, former director for Japanese affairs at the U.S.
Department of Defense

Japanese drivers used to spend a lot of money to get their driver's
licenses. They are highly trained drivers. Nevertheless, accidents

take place. Unfortunately, some people die every day on Japanese highways. The media gives little press coverage to everyday traffic accidents because such accidents occur frequently.

In the recent rare-case collision between an Aegis ship of the Maritime Self-Defense Force and a small fishing boat, however, this tragic, albeit rare, accident has suddenly developed into a national crisis situation, as a result of the mass media's irresponsible reporting and emotional arguments in the Diet.

I will not pretend to know every fact about the collision between the Aegis destroyer Atago and the fishing boat Seitoku Maru. However, I know the danger of entering port amid the busy traffic of many fishing boats and other ships, and I am also aware of the MSDF's special capabilities. So I was surprised and disappointed at the amateurish arguments in the media and in the Diet over the tragedy.

Any ship, large or small, is responsible for secure navigation at sea and must be careful when the sea traffic is congested. It goes without saying that a small ship is more easily controllable than a large one.

In Hong Kong or Tokyo Bay, it is impossible for a large ship to change directions when entering port while there are many small vessels such as fishing boats around it. A large ship runs at an appropriate slow speed, and a small ship steers to let a large ship pass. As far as I know, the Atago was running at an appropriate speed with watchmen on the bridge.

Instead of blaming the Aegis ship as irresponsible on the grounds that it might have had the autopilot on for steady navigation, we

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may have to wonder why the Seitoku Maru did not change course, given that it was on the alert. No one has queried whether perhaps Mr. Haruo and Tetsuhiro Kichisei might have fallen asleep from fatigue and did not respond therefore to a warning from another ship nearby.

Needless to say, the missing crewmen's family should receive sympathy, and the accident must be carefully investigated (not by the Japan Coast Guard but by the MSDF). However, the media, even before the facts have been completely brought to light, have reacted negatively, with politicians adding their criticism. This does not seem to be based on a sense of professionalism. The MSDF has been making efforts for refueling and maritime interdiction operations in the Indian Ocean for over six years and has been taking main part in the defense of Japan against North Korea's missile attacks. I take it for granted that the MSDF should deserve public gratitude, and do not feel it is appropriate to shower it with criticism that may be based on hasty and wrong information.

I do not intend to make light of the pain of the missing crewmen's family. However, I highly appreciate the MSDF's vital role in its readiness to meet the actual threat from North Korea. The most important hope is to peacefully guide China. This can be brought about by the strong naval cooperation between Japan and the United States. The MSDF should not be evaluated emotionally based on a tragic accident whose cause is still not clear; it should be evaluated based on reason.

(2) Prime minister keeps mum about nomination of new BOJ governor;
His decision to be tested

TOKYO SHIMBUN (Page 2) (Abridged slightly)
March 5, 2008

The major opposition Democratic Party of Japan (DPJ) is pressing Prime Minister Yasuo Fukuda for reconsidering the nomination for the new Bank of Japan (BOJ) governor. Against DPJ President Ichiro Ozawa's hard-line stance, there is the view in the ruling coalition that the prime minister must not budge from a plan to promote Deputy Governor Toshiro Saito, a shoo-in, to the top post. The prime minister's final decision will be tested. His decision to be presented as early as March 6 would become an indication foretelling

how the prime minister will run his administration.

DPJ Diet Affairs Committee Chairman Kenji Yamaoka had a meeting with his LDP counterpart Tadamori Oshima on the night of March 3, in which Yamaoka indicated difficulty endorsing Muto.

DPJ President Ozawa effectively voiced opposition to promoting Muto on March 1. This has drawn a bullish reaction from the ruling coalition, with a senior member saying: "No matter what Mr. Ozawa says, we have to nominate (the shoo-in) based on our belief. It is the DPJ that will come under criticism."

At work behind this reaction is a sense of alarm that if the ruling block gives up on its nomination plan because of Ozawa's statement, the government's credibility would be undermined.

The selection of the new BOJ governor, which was defined by the prime minister and others as a matter having major implications on the international economy and community, could end up hampering the future management of the Fukuda administration.

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With the administration's credibility at stake, the prime minister has the option of applying pressure to Ozawa by using the Muto nomination plan. A senior LDP member predicted: "The prime minister has wanted to settle the matter soothingly, but he could be stubborn, so he won't probably make concessions."

Such a case might result in the worst-case scenario of a vacuum in the BOJ governorship due to a lack of Diet approval. Further, if the prime minister submits the Muto plan in the knowledge that the Diet will not endorse it, his relationship with Ozawa would be damaged beyond repair.

Advocating a policy line of dialogue since taking office, Prime Minister Fukuda has not abandoned the idea of forming a grand coalition with the Ozawa-led DPJ. This can explain why the prime minister reacted positively to what Ozawa said in party-head debates and is taking a forward-looking attitude to holding talks on revising the provisional gasoline tax.

At the same time, there is the observation that the prime minister will nominate the second-best candidate instead of Muto for the sake of the dialogue policy course in consideration of Ozawa, though the option would take a toll on the credibility of his administration.

The prime minister himself, however, has been keeping mum on the matter, just telling the press, "I would like to see the government's nomination approved." A senior DPJ member noted, "There is a 50-50 chance (that the prime minister will nominate Muto)." JOB Governor Toshihiko Fukui's term of office expires on March 19. The clock is ticking away.

(3) Ruling, opposition blocs not backing down on tough stances toward selection of next BOJ governor

NIKKEI (Page 2) (Full)
March 5, 2008

The Diet remained stalled yesterday. The ruling camp is aiming to take a vote within this fiscal year on the budget bill for FY2008 and a bill amending the Special Taxation Measures law to maintain the current provisional road tax rates. Upset by the ruling camp's forcible passage of the bills in the House of Representatives, the opposition bloc intends to boycott deliberations for the time being. With both sides refusing to back down on their tough stances, it seems difficult for them to hold talks on making revisions to the road-related legislation. No prospects are in sight, either, for selecting a successor to Bank of Japan governor Toshihiko Fukui, whose term of office expires March 19.

The Democratic Party of Japan (DPJ), the Japanese Communist Party, and the Social Democratic Party boycotted a meeting yesterday of the Budget Committee set by House of Councillors Budget Committee Chairman Yoshitada Konoike (Liberal Democratic Party) on his

authority for deliberations on the budget bill. The meeting was called off due to poor attendance.

DPJ Diet Affairs Committee Chairman Kenji Yamaoka explained in an executive meeting and on other occasions yesterday: "I have set out the policy of boycotting deliberations for one week." Secretary General Yukio Hatoyama said: "We will return to deliberations if there is an apology (from the ruling side)."

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The ruling coalition also is hanging tough. The Upper House's Budget Committee and the Lower House's Land, Infrastructure, & Transport Committee both decided to hold meetings today by exercising their chairmen's authority. Chief Cabinet Secretary Nobutaka Machimura and LDP Upper House Diet Affairs Committee Chairman Seiji Suzuki agreed in their telephone conversation yesterday to determine the date for the next meeting of the Budget Committee even if the opposition side boycotts deliberations.

There is no prospect for the appointment of the BOJ chief, either. LDP Secretary Bunmei Ibuki indicated in a press conference yesterday that it would be desirable to present a nominee for the next BOJ governor. Ibuki said: "By custom, there are cases in which a new governor is nominated about 10 days before (the expiration of the incumbent's term of office)," indicating that it would be desirable to nominate the new governor this week. Meanwhile, DPJ President Ichiro Ozawa told a press conference in Hamamatsu: "Relations of trust between the ruling and opposition blocs will not be restored even by this weekend."

Many members in the ruling camp take this view that as long as the Diet remains stalled, even if the government presents its appointment plan, the opposition camp will reject it. LDP Diet Affairs Committee Chairman Tadamori Oshima told reporters last evening: "Chief Cabinet Secretary Machimura told me on the phone that the government will not present its appointment proposal on March 5."

(4) Ruling camp seeking chance to hold talks with opposition on revising highway-related bills

NIKKEI (Page 2) (Full)
March 5, 2008

The government and the ruling coalition are exploring ways to hold in the stalled Diet session deliberations on revisions to the government's draft bill amending the Special Taxation Measures Law to maintain the current provisional highway-related tax rates and other bills. A senior New Komeito member told reporters yesterday: "I think the government's draft and the Democratic Party of Japan's (DPJ) draft will be discussed in the House of Councillors automatically."

Of the three road-tax reform bills submitted by the DPJ to the Upper House, a bill to reform the road tax system includes measures to: (1) place road tax revenues into the general account budget so that the revenues will be used for other purposes than road projects, such as medical services; (2) discontinue the current provisional higher tax rates; and (3) abolish the system under which local governments finance projects initiated by the central government. Local governments are concerned that a removal of the higher tax rates could decrease their tax revenues. Taking such apprehension in mind, the main opposition party specifies measures to make up for the revenue shortfalls.

The remaining two bills are divided into one that is unrelated to the temporary tax rates but has a deadline so the party judges it must be voted on within this fiscal year. The other bill does not have a deadline. The bill with the deadline calls for extending seven measures, including the exemption of taxation on foreign capital on the Tokyo offshore market, a measure specified in the

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Special Taxation Measures Law, which expires at the end of March.

DPJ Diet Affairs Committee Chairman Kenji Yamaoka told reporters yesterday: "Regarding the measures that must be passed by the end of March for the sake of the lives of the people, we are determined to do so by all means." While refusing a vote of the bill amending the special tax legislation and aiming to lower the gasoline price by 25 yen, the DPJ aims to respond to a compromise plan by the heads of both houses of the Diet to reach a certain conclusion by the end of this fiscal year.

The DPJ is negative about negotiations on revisions to the legislation. President Ichiro Ozawa said: "We should not consider such revisions as adding everything up and then dividing them by two."

Some ruling camp members suggest drawing the opposition camp into revision talks by bringing up a plan to review the government's medium-term road-construction program, which specifies outlays of 59 trillion yen over a decade.

(5) Poll on Fukuda cabinet, political parties, gas tax

ASAHI (Page 4) (Full)
March 4, 2008

Questions & Answers

(Figures shown in percentage, rounded off. Bracketed figures denote proportions to all respondents. Figures in parentheses denote the results of the last survey conducted Feb. 2-3.)

Q: Do you support the Fukuda cabinet?

Yes 32 (35)
No 50 (46)

Q: Why? (One reason only. Left column for those marking "yes" on previous question, and right for those saying "no.")

The prime minister is Mr. Fukuda 16(5) 7(4)
It's an LDP-led cabinet 33(10) 25(12)
From the aspect of policies 17(5) 56(28)
No particular reason 31(10) 9(5)

Q: Which political party do you support now?

Liberal Democratic Party (LDP) 29 (30)
Democratic Party of Japan (DPJ or Minshuto) 21 (24)
New Komeito (NK) 3 (3)
Japanese Communist Party (JCP) 3 (2)
Social Democratic Party (SDP or Shaminto) 2 (1)
People's New Party (PNP or Kokumin Shinto) 0 (0)
New Party Nippon (NPN or Shinto Nippon) 0 (0)
Other political parties 0 (0)
None 38 (34)
No answer (N/A) + don't know (D/K) 4 (6)

Q: The gasoline tax is currently added up with an extra tax portion of 25 yen per liter for road construction and other road-related purposes. The government presented a bill to the Diet to extend this additional taxation for 10 years and use gasoline tax revenues for road construction and other road-related infrastructure projects.

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The bill, passed by the House of Representatives, is now before the House of Councillors. Do you support this legislation?

Yes 28
No 59

Q: The government is thinking of incorporating the gasoline tax and other road-related tax revenues into the general account budget so that the road-related tax revenues can be used for other purposes as well. Do you support this way of thinking?

Yes 59 (54)

No 30 (35)

Q: The government plans to construct new roads throughout the country at 59 trillion yen in the next 10 years. Do you think the government should construct new roads as planned, or do you otherwise think the government should scale back on the planned construction of new roads?

Construct new roads as planned 15 (14)
Scale back on construction plan 71 (75)

Q: Do you appreciate Prime Minister Fukuda's stance or policy over the gasoline tax?

Yes 18
No 66

Q: An Aegis destroyer of the Maritime Self-Defense Force collided with a fishing boat, leaving its two fishermen missing. Do you think Defense Minister Ishiba should resign to take responsibility for the accident?

Yes 34
No 57

Q: (Only for those who answered "yes") When do you think Defense Minister Ishiba should resign?

Resign at once 18(6)
Resign after investigations and other appropriate steps 80(27)

Q: In the wake of the Aegis accident, Prime Minister Fukuda suggested the need to overhaul the Defense Ministry. Do you expect Prime Minister Fukuda to display leadership in restructuring the Defense Ministry?

Yes 32
No 60

Polling methodology: The survey was conducted Mar. 1-2 over the telephone on a computer-aided random digit dialing (RDD) basis. Respondents were chosen from among the nation's voting population on a three-stage random-sampling basis. Valid answers were obtained from 2,028 persons (57 PERCENT).

(6) Suprapartisan parliamentary league of 107 membership launched

SANKEI (Page 5) (Full)
March 4, 2008

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The national movement organization "National League to Clean up (or Set Choices for) Japan in View of Local Communities and Consumers," which the league calls Sentaku (TN: homophonic double meaning of clean or choice) was launched in February. The group is headed by Masayasu Kitagawa, former governor of Mie Prefecture. With the aim of supporting Sentaku and promoting cooperation with the group, a nonpartisan parliamentary league with the same name, Sentaku, was formally launched yesterday. The parliamentary Sentaku is comprised of 107 legislators, mainly from the ruling Liberal Democratic Party and the main opposition Democratic Party of Japan (DPJ or Minshuto). The parliamentary league aims to "activate policy debate and to give the voters a chance to choose a new government in the next House of Representatives election." Under the current situation with the Diet divided between the ruling and opposition camps, the launching of this parliamentary group presents the possibility of becoming a spring board for political realignment.

About 80 lawmakers or 80 PERCENT of the 107 members attended yesterday's inaugural meeting. Many business leaders, including Kikkoman Chairman Yuzaburo Mogi, and senior labor union officials also attended the meeting. There was an air of excitement at the meeting.

Takeo Kawamura of the LDP, a former education minister, and

Yoshihiko Noda of the DPJ, who were elected as co-chairs of the league, made statements, their voices filled with excitement. Kawamura stated: "The lopsided Diet is a golden opportunity. We want to respond to public expectations by carrying out political reform, as well as reform of the Diet based on the viewpoint of consumers." Noda said: "We should discuss the issues frankly. I want to give considerable thought as to whether we can take advantage of the divided Diet situation."

Because the group held their meeting soon after the ruling parties unanimously had passed the fiscal 2008 budget in the Lower House on Feb. 29, one would expect the members from the ruling and opposition camps might have felt awkward. But most participants chatted pleasantly with each other.

The parliamentary league Sentaku is a temporary group that will last until just before the next Lower House race. The group will set up five ad hoc sub-committees to discuss issuing a manifesto (set of campaign pledges), Diet reform, decentralization, reform of the bureaucracy, and environmental issues. The legislators will reflect the outcome of their policy debate in their respective party's manifesto for the next Lower House election. The parliamentary league reportedly will hold regular meetings with the parent organization Sentaku.

Referring to the possible impact on political realignment, Kawamura said: "It is impossible for political reorganization to occur under the current single-seat constituency system. Noda commented: "Our party's purpose is to defeat the LDP. I have no intention of my party becoming a ruling party by forming an alliance with other parties." The parliamentary league does not advocate discussing political themes on which the ruling and opposition parties are at odds. This is the reason for LDP Secretary General Bunmei Ibuki eluding to that by saying: "Since the league is a study group, the launching of the league will not lead to a change in the political situation."

With the participation of more than 100 legislators in the group,

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the significance of the inauguration has changed. Some recall that the moves of a parliamentary group calling for political reform during the Miyazawa government period (early 1990s) led to the inauguration of the government of Prime Minister Morihiro Hosokawa (with the LDP being placed in the opposition camp for awhile). LDP members joining the group Sentaku include Hiroyuki Sonoda, secretary general of the now defunct Sakigake Party, and Kenji Kosaka, a member of the defunct New Frontier Party. Yukio Edano and other DPJ lawmakers who joined the Sentaku have distanced themselves from DPJ President Ichiro Ozawa. Attention is also focused on the moves of former DPJ President Katsuya Okada, who has become an advisor. Depending on developments, the launch of the parliamentary league may lay the groundwork for future political realignment.

Members of parliamentary league Sentaku

LDP (51) DPJ (47) New Komeito (8) People's New Party (1)

Takeo Kawamura
Yoshihiko Noda
Keiichi Ishii
Masaaki Itokawa
Hiroyuki Sonoda
Yukio Edano
Yuichiro Uozumi
Nobuteru Ishihara
Sakihito Ozawa
Yoshihisa Inoue
Kenji Kosaka
Koichiro Genba Shigeki Sato
Seiken Sugiura
Komei Matsumoto Keigo Masuya

Tatsuya Ito
Wakako Hironaka Michiyo Takagi
Yoshihide Suga
Keiichiro Asao Shuichi Kato

Seiko Hashimoto
Akira Gunji Eiichi Yamashita

Okiharu Yasuoka
Katsuya Okada
Goji Sakamoto
Seiji Maehara
Gen Nakatani Takeo Hosokawa
Keiji Furuya Katsuhiko Yokomitsu
Ryu Shionoya Jun Azumi
Seiko Noda Shoichi Kondo
Asahiko Mihara Kazuhiro Haraguchi
Hiroshi Imai Atsuhiko Oshima
Hiroshi Imazu Koichi Kato
Takeshi Iwaya Goshi Hosono
Toshiaki Endo Yukichi Maeda
Taro Kono Mitsuyoshi Yanagisawa
Toshio Kojima Yorihiro Matsuno
Yoshitaka Sakurada Jin Matsubara
Yasuhisa Shiozaki Koichiro Ichimura
Hakubun Shimomura Makiko Kikuta
Yasufumi Tanahashi Hitoshi Goto
Norihisa Tamura Yasuko Komiyama
Kiyoshi Nakano Yosuke Kondo
Taimei Yamaguchi Takashi Shinohara

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Gaku Iwasaki Katsumasa Suzuki
Masatoshi Ishida Manabu Terada
Shintaro Ito Chinami Nishimura
Yuko Obuchi Chinami Nishimura
Hiroshi Kajiyama Izumi Yoshida
Shigeyuki Ito Hirofumi Ryu
Masazumi Gotoda Seiji Osaka
Jun Matsumoto Katsuya Ogawa
Shinsuke Okuno Yuichiro Hata
Katsunobu Kato
Yoetsu Suzuki
Masahiko Shibayama Yoshitaka Kimata
Isshu Sugawara Tatsuo Hirano
Yasutoshi Nishimura Tetsuro Fukuyama
Satsuki Katayama Koji Matsui
Manabu Sakai Toshiyuki Kato
Toru Doi Yoshihiro Kawakami
Gaku Hashimoto Kumiko Hayashi
Hiroshige Seko
Hajime Hirota
Yoshimasa Hayashi Kenzo Fujiki
Ichita Yamamoto Mitsuyoshi Yanagisawa
Yoriko Kawaguchi
Seiji Matsuyama
Katsuhito Asano

SCHIEFFER